NONCOMPLIANCE REPORT

Attachment to Atlanta Gold Corporation's Discharge Monitoring Reports

<u>January 2017</u> – The weekly arsenic results for the effluent were 9 ug/L, 12 ug/L, 9 ug/L and 8 ug/L. The one result over the compliance limit was probably due to activity in the adit. The water treatment operator had to replace additional filter material as there was a collapse within the 900 crosscut behind the dam.

<u>February 2017</u> – With 12' of snowfall, limited access to the site and limited services to change filters, AGC could not obtain the first week's samples. In addition, these conditions resulted in a slight increase in the effluent weir samples for the month. The arsenic results were 11 ug/L, 22 ug/L and 11 ug/L.

<u>March 2017</u> – The results for arsenic for the weekly effluent sampling were 22 ug/L, 7 ug/L, 6 ug/L and 5 ug/L. On the day that the 22 ug/L sample was taken, Atlanta received 7" snow and the influent weir water spiked from 52.6 gpm the previous day to 75.4 gpm.

<u>April 2017</u> – The first two arsenic results for the weekly effluent sampling were 6 ug/L and <5 ug/L, respectively. The following week, the arsenic went up to 20 ug/L and then on the 24th it increased to 123 ug/L. It looks like the raise in the arsenic may be tied into the weather and the beginnings of the spring run-off. The temperatures for the weekly effluent samplings were 2.3°C, 7.1°C, 9.2°C and then 9.4°C. The influent flow changed from 70.5 gpm at the first of the month to 178.4 gpm at the end of the month.

<u>May 2017</u> – Continuing rain and snow melt resulted in extreme spikes in the effluent sampling results. The first week was 16 ug/L, followed by 90 ug/L, and then it started to rise up to 470 ug/L, then 807 ug/L then back down to 571 ug/L at the end of the month. On May 10th, the influent into the filters was over 1,142 gpm. Due to the extreme road conditions caused by the runoff and snow melt, AGC was unable to deliver materials to Atlanta nor up the Mine Hill Road to the Pilot Water Treatment Facility. The road to Atlanta was fixed and then a request was made to the U.S. Forest Service to allow AGC to perform road maintenance on the Mine Hill Road and verbal approval was finally obtained on May 30th.